



press release

Italian Exhibition Group S.p.A.: the Board of Directors approves the consolidated financial statements as at December 31st, 2019

The best results ever in absolute terms for revenues, EBITDA and net profit.

- Total consolidated revenues of € 178.6 million (including the negative effect of € 0.1 million for the application of IFRS 16) compared to € 159.7 million in 2018 (+11.8%).
- EBITDA¹ and EBIT respectively of € 41.9 million (of which € 3.7 million relative to the impact of IFRS 16) and € 24 million (of which € 0.3 million relative to the impact of IFRS 16), 35.7% and 25.9% higher respectively compared to 30.9 and 19.1 million in 2018.
- The net profit attributable to the shareholders of the Parent Company of € 12.9 million (with a negative impact of € 0.3 million for the application of IFRS 16), 24.1% higher than the € 10.4 million in 2018.

In the same meeting, the Board of Directors:

- approved the Report on Corporate Governance and Ownership Structures and the Report on the remuneration policy and fees paid;
- approved the Statement of non-financial information as at December 31st, 2019 pursuant to Italian Legislative Decree 254/2016;
- convened the Ordinary and the Extraordinary Shareholders' Meetings.

At this time of great uncertainty, Italian Exhibition Group is constantly working alongside its customers and the market to plan together their economic recovery after COVID-19.

Rimini, April 7th, 2020 - The Board of Directors of Italian Exhibition Group S.p.A. (IEG), a leading company in Italy in the organisation of international trade fairs, listed since last June on the MTA (screen-based stock exchange) organised and managed by Borsa Italiana S.p.A., today approved the Consolidated Financial Statements and the Draft Financial Statements relative to the financial year closed as at December 31st, 2019, which will be presented for approval to the Shareholders' Meeting on June 8th, 2020.

The main consolidated results for the 2019 financial year

Total revenues for the 2019 financial year amounted to € 178.6 million (including the negative effect of € 0.1 million for the application of the IFRS 16 accounting standard, starting with the 2019 period), showing a double digit growth of 11.8% compared to € 159.7 million in 2018. These results, in spite of the poorer trade fair calendar that in odd-numbered years is characterised by the absence of the "Tecnargilla" and "IBE" trade

fairs, continue along the growth trend already recorded at the end of 2018 (+22% over the previous year) and confirm the effectiveness of the strategies implemented both with regard to the development of products in the portfolio and growth through external lines.

The EBITDA¹ and EBIT, with a positive impact of € 3.7 and € 0.3 million respectively following the application of the IFRS 16 accounting standard, reached € 41.9 million and € 24.0 million respectively, showing a strong growth compared to 2018 (+35.7% and 25.9% respectively) which did not reflect the effects of IFRS 16. In 2018 the EBITDA and EBIT amounted to € 30.9 and 19.1 million. Even without taking into account the positive effects of the application of the above mentioned accounting standard, the EBITDA and EBIT indicators of operational profitability showed an increase of 23.5% and 24.5% respectively compared to the previous year, therefore a more than proportional growth with respect to revenues. These significant results are, therefore, the result of the development and business actions referred to above, in addition to a careful policy of optimising operating costs.

The Group's net profit, which was affected by higher financial management costs due to the change in the fair value of derivative financial instruments (€ 0.5 million) and by charges linked to put options notional payables (€ 0.4 million) amounted to € 13.1 million, excluding the effect of IFRS 16, compared to € 10.9 million in 2018 (+20.1%). Taking into account the effects of IFRS 16, the Group's net profit was € 12.6 million, 16.1% higher compared to the previous financial year.

The net profit attributable to the shareholders of the Parent Company amounted to € 12.9 million (with a negative impact of € 0.3 million for the application of IFRS 16), compared to € 10.4 million in 2018. This result, adjusted for comparability for the negative effects of the application of the IFRS 16 accounting standard, amounted to € 13.2 million, therefore 27.3% higher compared to the same period in the previous year.

As at December 31st, 2019, the net financial position was of € 104.5 million compared to € 70 million in 2018, which did not include the effects of IFRS 16. The monetary NFP (which, therefore, does not take into account the debit of € 29.1 million deriving from the application of IFRS 16, of financial liabilities for any future put options of € 17 million and for derivative financial instruments of € 5.2 million) amounted to € 53.2 million compared to € 49.2 million as at December 31st, 2018.

The consolidated shareholders' equity as at December 31st, 2019 amounted to around € 106.1 million compared to € 101.5 million as at December 31st, 2018.

2019 results by areas of activity (without taking into account, for the purposes of comparability with 2018, the effects of the application of IFRS 16)

The relevant growth in revenues recorded in the 2019 financial year compared to the previous year is the result of the extremely positive results achieved in every business line and the increase of around € 19.0 million is the result of both a purely organic growth (+€ 11.8 million, equal to +7.4%) and of the change in scope (+€ 7.3 million, equal to +4.6%). The latter consists of an increase of around € 15.3 million (equal to +9.6%) deriving from the acquisitions of the stand fittings companies made in 2018 (FB International in the USA in March, Prostand and Colorcom in Italy in September) and by a decrease of around € 8.0 million (equal to -5.0%), almost entirely in the second half of 2019, due to the calendar effect (-€ 9.0 million) and the one-off charge to the subsidiary Rimini Congressi for a share of the costs incurred for the listing process (+1 million). Therefore, it is of great significance that the organic growth in all business lines alone was able to offset the negative effect of the typical calendar of odd-numbered years.

The Group's core business, comprised of the direct organisation of trade fairs, accounted for 54.7% of total revenues in the period, and recorded a decrease of only 1.0% compared to the same period in the previous year. In fact, in spite the calendar effect, mainly due to the absence of "Tecnargilla" in the third quarter and of "IBE" in the fourth, determined a reduction of around 7.7% in revenues (around -€ 7.5 million), organic growth in the main leader products in the categories "Food & Beverage", "Jewellery & Fashion", "Green & Technology" and "Tourism & Hospitality" accounted for an increase in revenue of 6.7% (around +€ 6.6 million).

In 2019, compared to the same period in the previous year, the Conferences business line, which accounts for 8.7% of total revenues, recorded a significant increase of +19.1% compared to 2018, thanks to holding not only a greater number of events (190 in 2019 vs 181 in 2018) but also and in particular larger conferences in terms of the number of participants, conference areas used and additional services required.

Revenues from the Related Services line, such as stand fitting, catering and cleaning, account for 32.4% of the Group's total revenues and show an increase of 39.2% compared to 2018. The business activities in the period experienced organic growth in the captive activities generated by the development of organised trade fairs and the management of new activities in the catering services, in addition to the greater revenues deriving from the acquisition of stand fittings companies in 2018, whose results were consolidated for the entire period for the first time.

Results of the Parent Company Italian Exhibition Group S.p.A. and proposal of allocation of profit for the year

The Parent Company Italian Exhibition Group S.p.A. closed the 2019 financial year with total revenues of € 124.1 million, EBITDA of € 36.0 million and a net profit of € 13.9 million.

Due to the uncertainty linked to the development of the COVID-19 pandemic, the Board of Directors had decided to adopt a prudential approach in order to further support the economic and financial soundness of the Company. Therefore, as other listed companies have done and as suggested by financial institutions and institutional investors, the Board has decided to ask the approval of the Shareholders' Meeting for the allocation of the 2019 profit to reserves. The Board and the Shareholders' Meeting will be able to assess the possibility of distributing dividends once the uncertainties linked to the current health emergency have been resolved.

Events after the end of the financial year and business outlook

January 2020, which saw the explosion of the COVID-19 (or Coronavirus) health emergency in China, was characterised by the excellent results achieved by the Group in terms of directly organised trade fairs and services related to them. The two most important trade fairs of the Parent Company, Sigep and Vicenzaoro (in its January edition) confirmed their leadership position at international level and recorded excellent higher economic results (in terms of revenues and margins) compared to the previous year. It is important to underline that January, for the reason just described, represents the most important month in the year, when a significant part of the Group's operating profit for the entire financial year is achieved.

The fairs taking place in the first half of February also regularly took place and with results overall higher than in the previous year, even though with a significantly lower economic impact compared to the ones mentioned above.

However, unfortunately, the second half of February saw the spread of the Coronavirus epidemic also in our country, which progressively became a pandemic. Consequently the Italian government and the Local Administrations adopted the known restriction provisions which, among other things, determined the suspension of trade fairs and conferences activities.

From the start, the Company proceeded to adopt all the necessary measures to protect the safety and health of employees, associates, customers and suppliers. This was helped by Smart Working initiatives implemented during 2019, which allowed the Group to meet the requirements of the working conditions imposed by the above mentioned emergency. The Company immediately started to work on rescheduling the main organised and hosted trade fairs scheduled for March, April and the beginning of May, and the conferences scheduled for the same period which were not cancelled by request of the customers.

At present, these measures have meant the cancellation of two minor organised fairs and of 26 conferences (most scheduled for March and April), in addition to the significant block to the activities of the subsidiaries operating in the related services business.

In this complex and uncertain situation, the Company will continue to monitor the progress of the pandemic and of the normative provisions, and to work with its customers and partners to allow the running of the postponed trade fairs and conferences. The Company will continue to carefully manage its trade receivables and to adopt appropriate policies for the management of its operating costs which, as they are always characterised by the relevant incidence of variable costs, will allow to contain the impact on margins in spite of the contraction of revenues.

Irrespective of any statutory provisions that may affect trade fairs in the second half of the year, the Company has set up an interfunctional working group (Safe Business operation) with the purpose of identifying all the solutions able to provide its services with the maximum level of health safety.

Lastly, the Company has made use of some of the economic and financial support measures introduced by government institutions, and will check the possibility of complying with those that may be introduced in future, continuing to make ample use of flexible working forms; all this in order to reduce as much as possible the impact of contingent difficulties and to be ready to resume business alongside its customers and partners as soon as these uncertain times have passed.

Italian Exhibition Group S.p.A. announces that the 2019 Draft Financial Statements and the Consolidated Financial Statements as at December 31st, 2019, approved by the Board of Directors on April 7th, 2020, will be made available to public at the Company's registered office, Via Emilia 155, Rimini, at the authorized storage device 1INFO Storage at the address www.1info.it, and will also available for consultation on the Company's website at www.iegexpo.it in the Investor Relations Section, within the terms required by the law.

The Manager responsible for preparing the company's financial documents, Roberto Bondioli, declares that, pursuant to paragraph 2 of art. 154 bis of the Consolidation Finance Act (TUF), that the information in this communication corresponds to the accounting records, account books and book entries.

The results for the 2019 financial year will be presented in a conference call with the financial community scheduled today at 18.00 (CET). The presentation will be available in the Investor Relations Section on the website www.iegexpo.it from 17.45.

Approval of the Report on Corporate Governance and Ownership Structures and the Report on the remuneration policy and fees paid.

The Board of Directors has approved the Report on Corporate Governance and Ownership Structures relative to the 2019 financial year pursuant to art. 123-bis of Italian Legislative Decree no. 58/1998 as subsequently amended (the "TUF") and the Report on the remuneration policy for 2020 and on the fees paid to the Company's directors and key managers in the 2019 financial year, pursuant to art. 123-ter of the TUF and art. 84-quater and Annex 3A, Chart 7-bis of CONSOB Regulation no. 11971/1999 (the "Issuers' Regulations").

The above mentioned reports will be made available to the public, within the terms required by the law, at the Company's registered office, Via Emilia 155, Rimini, and on the Company's website, www.iegexpo.it, Corporate Governance Section.

Approval of the 2019 Consolidated Statement of non-financial information

The Board of Directors today also approved the 2019 Consolidated Statement of non-financial information pursuant to Italian Legislative Decree 254/2016. For the purposes of reporting "non-financial information" IEG has implemented an analysis and disclosure process in line with the international standards set out by the Global Reporting Initiative (GRI). The above mentioned Statement will be made available to the public, in accordance with the same timetable application to the annual financial reports within the terms required by the law, at the Company's registered office, Via Emilia 155, Rimini, and on the Company's website, www.iegexpo.it, Corporate Governance Section.

Call of the Ordinary Shareholders' Meeting

The Board of Directors has deliberated to convene the Shareholders' Meeting in ordinary and extraordinary sessions on June 8th, 2020 in a single call.

The Notice of call, accompanied by all the information required by art. 125-bis of the TUF, as well as all the documentation that will be presented to the Shareholders' Meeting pursuant to art. 125-ter and art. 125-quater of the TUF will be made available to the public, within the terms required by the law, at the Company's registered office, Via Emilia 155, Rimini, and on the Company's website, www.iegexpo.it, Corporate

Governance Section. The Notice of call will also be published in the Milano Finanza daily newspaper, within the terms required by the law.

FOCUS ON ITALIAN EXHIBITION GROUP

Italian Exhibition Group (IEG), listed on the Screen-based Share Market (MTA) organised and managed by Borsa Italiana S.p.A., is a leader in Italy in the organisation of trade fairs and one of the main operators in the trade fair and conference sector at European level, with structures in Rimini and Vicenza, as well as further sites in Milan and Arezzo. The IEG Group is notable in the organisation of events in five categories: Food & Beverage; Jewellery & Fashion; Tourism, Hospitality and Lifestyle; Wellness, Sport and Leisure; Green & Technology. In the last few years, IEG started a significant expansion process abroad, also through the conclusion of joint ventures with local operators (for example, in the United States, Arab Emirates and in China). IEG closed the 2019 financial year with consolidated total revenues of € 178.6 million, an EBITDA of € 41.9 million and a consolidated net profit of € 12.6 million. In 2019, IEG totalled 48 organised or hosted fairs and 190 conferences. www.iegexpo.it

This press release includes provisional elements and estimates that reflect the current views of the management team (“forward-looking statements”) in particular with regard to future management performance, realisation of investments, cash flows trends and the evolution of the financial structure. The forward-looking statements by their nature include a component of risk and uncertainty because they depend on the occurrence of future events. The actual results may differ, also in a significant manner, from those announced, in relation to a number of factors including but not exclusive to: the performance of the out-of-home-food consumption market and of tourist flows to Italy, the performance of the gold-jewellery market, the performance of the green economy, the developments in the price of raw materials, the general macroeconomic conditions, geopolitical factors and development in the regulatory environment.

¹ The EBITDA is represented by the operating profit (loss) including depreciation and amortisation expense. The EBITDA is a measure defined and used by the Group to monitor and assess the operating performance of the Group, but it is not defined in the context of IFRS standards; therefore it must not be viewed as an alternative measure for the assessment of the Group’s operating result. The Company believes that the EBITDA is an important parameter for the measurement of the Group’s performance as it allows to analyse the profitability of the same by eliminating the effects deriving from non-recurrent economic elements. As EBITDA is not a measure whose determination is regulated by reference accounting standards for the preparation of the Group’s consolidated financial statements, the criterion applied for the determination of the EBITDA could not be consistent with that adopted by other groups and might, therefore, not be comparable to them.

For further information:

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION (in Euro thousand)

ASSETS (Euro/000)	NOTES	12/31/2019	12/31/2018 (*)
NON-CURRENT ASSETS			
Property, Plant and Equipment		209,173	182,315
Intangible fixed assets		37,036	32,771
Equity investments valued using the equity method		4,437	4,166
Other equity investments		10,873	11,016
<i>Of which with related parties</i>		10,786	10,943
Deferred tax assets		1,940	991
Non-current financial assets for rights of use		840	-
Other non-current financial assets		524	1,826
Other non-current assets		152	117
TOTAL NON-CURRENT ASSETS		264,976	233,203
CURRENT ASSETS			
Inventories		956	885
Trade receivables		33,899	34,182
<i>Of which with related parties</i>		724	273
Tax credits for direct taxes		505	20
Current financial assets for rights of use		164	-
Other current financial assets		1,472	523
<i>Of which with related parties</i>		292	523
Other current assets		5,856	8,161
Cash and cash equivalents		22,198	29,479
TOTAL CURRENT ASSETS		65,051	73,250
TOTAL ASSETS		330,027	306,453

(*) Some of the figures reported in this column do not correspond to those in the financial statements as at December 31st, 2018 because they reflect the valuations made in relation to the Purchase Price Allocation of Prostand and Colorcom at defined values. For further details please refer to the paragraph Business Combinations in the section Valuation criteria in the explanatory notes to the Consolidated Financial Statements.

LIABILITIES	NOTES	12/31/19	12/31/18 (*)
SHAREHOLDERS' EQUITY			
Share capital		52,215	52,215
Share premium reserve		13,947	13,947
Other reserves		26,608	26,613
Profit (loss) for previous years		1,680	4,232
Profit (Loss) for the period attributable to shareholders of the Parent Company		12,861	10,348
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY		103,950	98,891
Share capital and reserves attributable to minority interests		2,374	2,030
Profit (loss) for the year attributable to minority interests		(224)	533
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO MINORITY INTERESTS		2,150	2,563
TOTAL GROUP SHAREHOLDERS' EQUITY		106,100	101,454
NON-CURRENT LIABILITIES			
Payables due to banks		58,318	61,649
Non-current financial liabilities for rights of use		26,114	-
	<i>Of which with related parties</i>	17,219	-
Other non-current financial liabilities		22,467	21,042
Provisions for non-current risks and charges		1,755	2,409
Employee provisions		4,580	4,565
Deferred tax liabilities		-	-
Other non-current liabilities		2,300	2,494
TOTAL NON-CURRENT LIABILITIES		115,535	92,159
CURRENT LIABILITIES			
Payables due to banks		14,601	16,918
Current financial payables for rights of use		3,968	-
	<i>Of which with related parties</i>	1,320	-
Other current financial liabilities		4,237	2,224
Provisions for current risks and charges		-	-
Trade payables		34,979	40,553
	<i>Of which with related parties</i>	126	546
Tax payables for direct taxes		2,053	1,745
	<i>Of which with related parties</i>	-	1,745
Other current liabilities		48,554	51,400
TOTAL CURRENT LIABILITIES		108,392	112,840
TOTAL LIABILITIES		330,027	306,453

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (in Euro thousand)

	NOTES	2019	2018 (*)
REVENUES			
Revenues from sales and services		174,228	156,806
	<i>Of which with related parties</i>	2,138	808
Other revenues		4,372	2,874
	<i>Of which with related parties</i>	1,134	125
TOTAL REVENUES		178,601	159,680
	<i>Of which non-recurring revenue</i>	981	-
OPERATING COSTS			
Change in inventories		142	151
Costs for raw materials, consumables and goods for resale		15,420	10,345
Costs for services		82,499	79,753
	<i>Of which with related parties</i>	(172)	33
	<i>Of which costs for non-recurring services</i>	238	(1,428)
Costs for use of third-party assets		492	4,469
	<i>Of which with related parties</i>	(50)	(1,267)
Personnel costs		(35,543)	(31,465)
Other operating costs		(2,914)	(2,936)
	<i>Of which with related parties</i>	(6)	(6)
TOTAL OPERATING COSTS		(136,726)	(128,816)
GROSS OPERATING PROFIT (EBITDA)			
	<i>Of which impact of non-recurring items</i>	743	(1,428)
Amortisation, depreciation and write-downs of fixed assets		(16,559)	(10,456)
Write-down of receivables		(1,134)	(1,107)
Provisions		(145)	(176)
Value adjustments of financial assets other than equity investments		1	30
OPERATING PROFIT/LOSS		(24,038)	(19,095)
FINANCIAL INCOME AND CHARGES			
Financial income		169	153
Financial charges		(4,276)	(2,443)
Exchange rate gains and losses		42	(36)
TOTAL FINANCIAL INCOME AND CHARGES		(4,065)	(2,326)
GAINS AND LOSSES FROM EQUITY INVESTMENTS			
Effect of valuation of equity investments with the equity method		(290)	(217)
Other gains/losses on equity investments		43	44
	<i>Of which with related parties</i>	43	44
TOTAL GAINS AND LOSSES FROM EQUITY INVESTMENTS		(248)	(172)
PRE-TAX RESULT			
INCOME TAXES			
Current taxes		(7,231)	(5,482)
Deferred tax assets/(liabilities)		292	(234)
Taxes relative to previous financial years		(348)	-
TOTAL INCOME TAXES		(7,088)	(5,715)
GROUP'S PROFIT/LOSS FOR THE YEAR			
		12,637	10,881
PROFIT (LOSS) ATTRIBUTABLE TO MINORITY INTERESTS			
		(224)	533
PROFIT (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY			
		12,861	10,348
EARNINGS PER SHARE			
		0.4167	0.3353
DILUTED EARNINGS PER SHARE			
		0.4167	0.3353

(*) Some of the figures reported in this column do not correspond to those in the financial statements as at December 31st, 2018 because they reflect the valuations made in relation to the Purchase Price Allocation of Prostand and Colorcom at defined values. For further details please refer to the paragraph Business Combinations in the section Valuation criteria in the explanatory notes to the Consolidated Financial Statements.

	2019	2018 (*)
PROFIT/LOSS FOR THE YEAR	12,637	10,881
Other comprehensive income components which will be subsequently reclassified under profit/(loss) for the year:		
Gains/(losses) on financial instruments for cash flow hedges	(342)	(75)
Gains/(losses) on translation of financial statements in foreign currency	133	479
Gains/(losses) on financial assets measured at FVOCI	(156)	324
Total Other comprehensive income components which will be subsequently reclassified under profit/(loss) for the period	(365)	728
Other comprehensive income components which will not be subsequently be reclassified under profit/(loss) for the period:		
Actuarial gains/(losses) from defined benefit plans for employees – IAS 19	(216)	34
Income taxes	52	(8)
Total effect of change in actuarial reserve	(164)	26
Total Other comprehensive income components which will not be subsequently be reclassified under profit/(loss) for the year	(164)	26
TOTAL PROFIT/(LOSS) BOOKED TO EQUITY	(529)	753
COMPREHENSIVE PROFIT/LOSS FOR THE YEAR	12,108	11,635
Attributable to:		
Minority interests	(205)	608
Shareholders of the Parent Company	12,312	11,027

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CONSOLIDATED CASH FLOW STATEMENT (in Euro thousand)

<i>Values in Euro/000</i>	12/31/2019	12/31/2018 (*)
Profit before tax	19,725	16,597
<i>Of which with related parties</i>	1,815	(478)
<i>Adjustments to trace profit for the year back to the cash flow from operating activities:</i>		
Amortisation, depreciation and write-downs of property, plant and equipment and intangible assets	16,559	10,456
Provisions and write-downs	1,134	1,107
Other provisions	145	176
Charges/(income) from valuation of equity investments in other companies with the equity method	248	172
Write-down of financial assets	-	-
Net financial charges	4,065	2,326
Costs for use of third-party assets (IFRS 16)	(3,747)	-
Effect on EBIT of financial liabilities for put options	(501)	(91)
Other non-monetary changes	(194)	(194)
Cash flow from operating activities before changes in working capital	37,433	30,549
<i>Change in working capital:</i>		
Inventories	(71)	(152)
Trade receivables	(850)	3,585
<i>Of which with related parties</i>	(450)	(88)
Trade payables	(5,133)	(5,285)
<i>Of which with related parties</i>	421	(55)
Other current and non-current assets	2,270	1,491
Other current and non-current liabilities	(2,983)	10,482
Receivables/payables for current taxes	(6,152)	(3,031)
<i>Of which with related parties</i>	(1,745)	(324)
Deferred/prepaid taxes	(11)	(338)
Cash flow from changes in working capital	(12,931)	6,752
Income taxes paid	(1,356)	(2,104)
Employee provisions and provisions for risks	(948)	(350)
Cash flows from operating activities	22,198	34,847
<i>Cash flow from investment activities</i>		
Net investments in intangible fixed assets	(6,246)	(937)
Net investments in property, plant and equipment	(12,275)	(9,014)
Disinvestments in intangible fixed assets	24	93
Disinvestments in tangible fixed assets	154	-
Dividends from associate companies and joint-ventures	43	44
<i>Of which with related parties</i>	43	44
Change in current and non-current financial assets	353	5,730
<i>Of which with related parties</i>	231	964
Net equity investments in subsidiaries	-	(9,443)
Changes in equity investments in associated companies and other companies	(575)	(2,255)
Cash flow from investment activities	(18,522)	(15,782)
<i>Cash flow from financing activities</i>		
Change in other financial payables - other	2,605	(26,040)
Payables to shareholders	690	1,154
Obtainment/(repayment) of short-term bank loans	(3,603)	8,852
Mortgages	6,677	31,045
Repayment of mortgages	(8,607)	(5,482)
Net financial charges paid	(1,845)	(1,828)
Dividends paid	(5,556)	(5,556)
Change in Group reserves	61	2,035
Cash flow from financing activities	(10,958)	4,180
Net cash flow for the period	(7,281)	23,246
Opening cash and cash equivalents	29,479	6,234
Closing cash and cash equivalents	22,198	29,479

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STATEMENT OF FINANCIAL POSITION IEG S.p.A.

ASSETS (in Euro)	NOTES	12/31/2019	12/31/2018
NON-CURRENT ASSETS			
Property, Plant and Equipment		192,746,689	172,335,207
Intangible fixed assets		22,926,970	18,546,719
Equity investments in subsidiaries		14,630,674	14,729,415
Equity investments valued using the equity method		4,128,368	3,970,791
Equity investments in other companies		10,853,134	11,004,398
	<i>Of which with related parties</i>	10,786,287	10,942,551
Deferred tax assets		1,260,667	316,464
Non-current financial assets		474,924	1,596,439
Other non-current assets		115,929	86,174
TOTAL NON-CURRENT ASSETS		247,137,355	222,585,607
CURRENT ASSETS			
Inventories		-	-
Trade receivables		23,025,821	23,656,953
	<i>Of which with related parties</i>	2,646,043	1,968,688
Tax credits for direct taxes		-	19,939
Current financial assets		3,141,432	1,732,223
	<i>Of which with related parties</i>	1,989,697	1,732,223
Other current assets		4,876,681	5,106,019
Cash and cash equivalents		18,147,288	20,679,799
TOTAL CURRENT ASSETS		49,191,222	51,194,933
TOTAL ASSETS		296,328,577	273,780,540

LIABILITIES	(in Euro)	NOTES	12/31/2019	12/31/2018
SHAREHOLDERS' EQUITY				
	Share capital		52,214,897	52,214,897
	Share premium reserve		13,946,713	13,946,713
	Other reserves		32,733,409	32,839,858
	Profit (loss) for previous years		4,100,972	1,833,908
	Profit (loss) for the year		13,897,502	9,852,399
TOTAL SHAREHOLDERS' EQUITY			116,893,493	110,687,775
NON-CURRENT LIABILITIES				
	Payables due to banks		56,403,007	61,230,669
	Non-current financial liabilities for rights of use		20,087,572	-
	<i>Of which with related parties</i>		17,219,277	-
	Other non-current financial liabilities		5,721,769	5,524,114
	<i>Of which with related parties</i>		221,840	443,680
	Provisions for non-current risks and charges		1,865,531	2,408,929
	Employee provisions		3,357,455	3,341,446
	Deferred tax liabilities		-	-
	Other non-current liabilities		2,300,485	2,494,455
TOTAL NON-CURRENT LIABILITIES			89,735,819	74,999,613
CURRENT LIABILITIES				
	Payables due to banks		10,133,115	8,749,164
	Current financial liabilities for rights of use		2,276,394	-
	<i>Of which with related parties</i>		1,319,894	-
	Other current financial liabilities		3,787,795	1,026,948
	<i>Of which with related parties</i>		221,840	221,840
	Trade payables		28,005,904	30,790,653
	<i>Of which with related parties</i>		7,524,673	8,112,590
	Tax payables for direct taxes		1,969,082	1,877,813
	<i>Of which with related parties</i>		-	1,745,088
	Other current liabilities		43,526,975	45,648,574
	<i>Of which with related parties</i>		163,599	148,601
TOTAL CURRENT LIABILITIES			89,699,265	88,093,152
TOTAL LIABILITIES			296,328,577	273,780,540

STATEMENT OF COMPREHENSIVE INCOME IEG S.p.A.

(in Euro)	NOTES	2019	2018
REVENUES			
Revenues from sales and services		120,282,468	117,316,857
	<i>Of which with related parties</i>	3,721,541	2,619,560
Other revenues		3,818,420	2,529,493
	<i>Of which with related parties</i>	1,390,865	390,086
TOTAL REVENUES		124,100,888	119,846,350
	<i>Of which non-recurring revenue</i>	981,162	
OPERATING COSTS			
Change in inventories		-	-
Costs for raw materials, consumables and goods for resale		(2,241,838)	(2,427,578)
	<i>Of which with related parties</i>	-	(19,214)
Costs for services		(61,983,610)	(65,350,452)
	<i>Of which with related parties</i>	(18,353,278)	(13,382,997)
	<i>Of which costs for non-recurring services</i>	(237,702)	(1,428,158)
Costs for use of third-party assets		(219,768)	(1,917,018)
	<i>Of which with related parties</i>	-	(1,216,831)
Personnel costs		(21,193,546)	(21,609,011)
Other operating costs		(2,495,969)	(2,560,722)
	<i>Of which with related parties</i>	(18,016)	(6,575)
TOTAL OPERATING COSTS		(88,134,731)	(93,864,781)
GROSS OPERATING PROFIT (EBITDA)		35,966,157	25,981,569
	<i>Of which impact of non-recurring items</i>	743,460	(1,428,158)
Amortisation, depreciation and write-downs of fixed assets		(11,605,980)	(8,794,763)
Write-down of receivables		(995,215)	(951,315)
Provisions		(144,728)	(176,046)
Value adjustments of financial assets other than equity investments		(1,088)	(30,035)
OPERATING PROFIT/LOSS		23,221,322	16,029,410
FINANCIAL INCOME AND CHARGES			
Financial income		138,174	115,517
	<i>Of which with related parties</i>	4,105	14,037
Financial charges		(2,578,759)	(1,595,511)
Exchange rate gains and losses		98,541	105,509
TOTAL FINANCIAL INCOME AND CHARGES		(2,342,044)	(1,374,485)
GAINS AND LOSSES FROM EQUITY INVESTMENTS			
Effect of valuation of equity investments with the equity method		(332,765)	(184,304)
Effect of the valuation of equity investments in subsidiaries		(209,617)	-
Other gains/losses on equity investments		140,440	44,373
	<i>Of which with related parties</i>	140,440	44,373
TOTAL GAINS AND LOSSES FROM EQUITY INVESTMENTS		(401,942)	(139,932)
PRE-TAX RESULT		20,477,336	14,514,993
INCOME TAXES			
Current taxes		(6,612,350)	(4,603,067)
Taxes relative to previous financial years		(348,247)	(2,550)
Deferred tax assets/(liabilities)		380,763	(56,977)
TOTAL INCOME TAXES		(6,579,834)	(4,662,594)
PROFIT / LOSS FOR THE YEAR		13,897,502	9,852,399

<i>Values in Euro/000</i>	2019	2018
PROFIT/LOSS FOR THE YEAR	13,898	9,852
Other comprehensive income components which will be subsequently reclassified under profit/(loss) for the year:		
Gains/(losses) on financial instruments for cash flow hedges	(342)	(75)
Gains/(losses) on translation of financial statements in foreign currency	(18)	(41)
Gains/(losses) on financial assets measured at FVOCI	(156)	324
Total Other comprehensive income components which will be subsequently reclassified under profit/(loss) for the year	(516)	208
Other comprehensive income components which will not be subsequently be reclassified under profit/(loss) for the year:		
Actuarial gains/(losses) from defined benefit plans for employees – IAS 19	(174)	57
Income taxes	42	(13)
Total effect of change in actuarial reserve	(132)	44
Total Other comprehensive income components which will not be subsequently be reclassified under profit/(loss) for the year:	(132)	44
TOTAL PROFIT/(LOSS) BOOKED TO EQUITY	(647)	252
COMPREHENSIVE PROFIT/LOSS FOR THE PERIOD	13,249	10,104

<i>Values in Euro/000</i>	12/31/2019	12/31/2018
Profit before tax	20,477	14,515
	<i>Of which with related parties</i>	<i>(11,616)</i>
<i>Adjustments to trace profit for the year back to the cash flow from operating activities:</i>		
Costs for use of third-party assets (IFRS 16)	(2,127)	
Amortisation, depreciation and write-downs of property, plant and equipment and intangible assets	11,606	8,795
Provisions and write-downs	995	951
Other provisions	145	176
Charges/(income) from valuation of equity investments in other companies with the equity method	402	140
Write-down of financial assets		
Net financial charges	(2,342)	(1,374)
	<i>Of which with related parties</i>	<i>4</i>
Other non-monetary changes	(194)	(194)
Cash flow from operating activities before changes in working capital	33,646	25,758
<i>Change in working capital:</i>		
Inventories		
Trade receivables	(364)	(1,656)
	<i>Of which with related parties</i>	<i>(677)</i>
Trade payables	(2,344)	(2,189)
	<i>Of which with related parties</i>	<i>588</i>
Other current and non-current assets	200	2,897
Other current and non-current liabilities	(2,245)	8,823
Receivables/payables for current taxes	(5,533)	(1,628)
	<i>Of which with related parties</i>	<i>1,730</i>
Deferred/prepaid taxes	61	(21)
Cash flow from changes in working capital	(10,226)	6,226
Income taxes paid	(1,356)	(2,104)
Employee provisions and provisions for risks	(804)	(323)
Cash flows from operating activities	21,260	29,556
<i>Cash flow from investment activities</i>		
Net investments in intangible fixed assets	(6,093)	(649)
Net investments in property, plant and equipment	(8,596)	(7,050)
Disinvestments in intangible fixed assets	-	-
Disinvestments in tangible fixed assets	60	2
Dividends from associate companies and joint-ventures	140	44
	<i>Of which with related parties</i>	<i>140</i>
Change in current and non-current financial assets	(288)	7,030
	<i>Of which with related parties</i>	<i>(36)</i>
Acquisitions net of acquired cash and cash equivalents	(606)	(17,173)
Cash flow from investment activities	(15,382)	(17,800)
<i>Cash flow from financing activities</i>		
Change in other financial payables	2,273	613
Payables to shareholders	(6)	8
Obtainment/(repayment) of short-term bank loans	-	(1,500)
Mortgages	6,546	17,474
Repayment of mortgages	(9,990)	(5,922)
Net financial charges paid	(1,659)	(1,095)
Dividends paid	(5,556)	(5,556)
Change in Group reserves	(18)	830
Cash flow from financing activities	(8,410)	4,853
Net cash flow for the period	(2,533)	16,608
Opening cash and cash equivalents	20,680	4,071
Closing cash and cash equivalents	18,147	20,680